

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of the Department of Insurance and Financial Services

In the matter of:

OMPT Specialists, LLC
Petitioner

File No. 21-1601

v

MemberSelect Insurance Company
Respondent

Issued and entered
this 14th day of January 2022
by Sarah Wohlford
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On October 11, 2021, OMPT Specialists, LLC (Petitioner) filed with the Department of Insurance and Financial Services (Department) a request for an appeal pursuant to Section 3157a of the Insurance Code of 1956 (Code), 1956 PA 218, MCL 500.3157a. The request for an appeal concerns the determination of MemberSelect Insurance Company (Respondent) that the cost of treatment, products, services, or accommodations that the Petitioner rendered was inappropriate under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Petitioner's appeal is based on the denial of a bill pursuant to R 500.64(3), which allows a provider to appeal to the Department from the denial of a provider's bill. The Respondent issued the Petitioner a bill denial on September 1, 2021. The Petitioner now seeks reimbursement in the full amount it billed for the dates of service at issue.

The Department accepted the request for an appeal on October 22, 2021. Pursuant to R 500.65, the Department notified the Respondent and the injured person of the Petitioner's request for an appeal on October 22, 2021 and provided the Respondent with a copy of the Petitioner's submitted documents. The Respondent filed a reply to the Petitioner's appeal on October 25, 2021. The Department issued a notice of extension to both parties on December 1, 2021.

II. FACTUAL BACKGROUND

This appeal concerns the appropriate reimbursement amount for physical therapy treatments rendered on July 7 and 14, 2021 under Current Procedural Terminology (CPT) codes 97112, 97110, 97124, and 97014, which are described as therapeutic procedures, neuromuscular reeducation, therapeutic exercise to develop strength, therapeutic massage, and unattended electric stimulation, respectively.

With its appeal request, the Petitioner submitted documentation that included *Explanations of Review* letters issued by the Respondent, clinical documentation for the dates of service at issue, and a reason for appeal. In its reason for appeal, the Petitioner stated that “these claims are denying stating that the [injured person] maxed their benefits for the dates of service.”

In its *Explanation of Review*, the Respondent stated that it reimbursed the Petitioner under a network contract rate. In its reply, the Respondent reaffirmed that its reimbursement was calculated and processed under a network contract, and specifically stated:

Following the receipt of the Appeal filed by the [Petitioner], the previously denied services relating to dates of service 7/7/2021 to 7/14/2021 were reviewed and payment is denied as the [Petitioner] has not provided the Charge Description Master.

On November 5, 2021, the Department requested the Petitioner’s January 2019 Charge Description Master (CDM). See MCL 500.3157(7). The Petitioner submitted its CDM to the Department on November 9, 2021.

III. ANALYSIS

Director’s Review

Under MCL 500.3157a(5), a provider may appeal an insurer’s determination that the provider overutilized or otherwise rendered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under Chapter 31 of the Code. This appeal involves a dispute regarding cost.

For dates of service after July 1, 2021, MCL 500.3157 governs the appropriate cost of treatment and training. Under that section, a provider may charge a reasonable amount, which must not exceed the amount the provider customarily charges for like treatment or training in cases that do not involve insurance. Further, a provider is not eligible for payment or reimbursement for more than specified amounts. For treatment or training that has an amount payable to the person under Medicare, the specified amount is based on the amount payable to the person under Medicare. If Medicare does not provide an amount payable for a treatment or rehabilitative occupational training under MCL 500.3157(2) through (6), the provider is not eligible for payment or reimbursement of more than a specified percentage of the

provider's charge description master in effect on January 1, 2019 or, if the provider did not have a charge description master on that date, an applicable percentage of the average amount the provider charged for the treatment on January 1, 2019. Reimbursement amounts under MCL 500.3157(2), (3), (5), or (6) may not exceed the average amount charged by the provider for the treatment or training on January 1, 2019. See MCL 500.3157(8); MAC R 500.203.

In its written reply to the Department, the Respondent indicated that its reimbursement to the Petitioner was based on contract pricing. However, for dates of service after July 1, 2021, MCL 500.3157 governs reimbursements to providers. See MCL 500.3157.

The CPT codes at issue have an amount payable under Medicare. Accordingly, to calculate the appropriate reimbursement amount, the Department relied on information maintained by the American Academy of Professional Coders (AAPC) and the Centers for Medicare and Medicaid Services (CMS) Physician Fee Schedule for the service year and specific Medicare locality, which is March 2021 and Detroit 0820201. Pursuant to MCL 500.3157(2)(a), the amount payable under Medicare for the CPT codes and dates of service at issue are as follows:

CPT code	Medicare amount payable	200% of Medicare amount payable	4.11% CPI adjustment	Amount payable
97112	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED] /service
97124	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED] /service
97110	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED] /unit
97014	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED] /service

Accordingly, the Department concludes that the Petitioner is due additional reimbursement for the dates of service at issue.

IV. ORDER

The Director reverses the Respondent's determination dated September 1, 2021, that the cost of the treatment on the dates of service at issue in this appeal was inappropriate under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Petitioner is entitled to reimbursement in the amount payable under MCL 500.3157 for the treatment on the dates of service discussed herein, and to interest on any overdue payments as set forth in Section 3142 of the Code, MCL 500.3142. R 500.65(6). The Respondent shall, within 21 days of this order, submit proof that it has complied with this order.

This order applies only to the treatment and dates of service discussed herein and may not be relied upon by either party to determine the injured person's eligibility for future treatment or as a basis for action on other treatment or dates of service not addressed in this order.

This is a final decision of an administrative agency. A person aggrieved by this order may seek judicial review in a manner provided under Chapter 6 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.301 to 24.306. MCL 500.244(1); R 500.65(7). A copy of a petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of Research, Rules, and Appeals, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox
Director
For the Director:

X *Sarah Wohlford*

Sarah Wohlford
Special Deputy Director
Signed by: Sarah Wohlford